

## **Making Water Conservation a California Way of Life** **Summary of Proposed Legislation – June 2017 Updates**

In April 2017, the Administration released a package of proposed legislation to implement Executive Order B-37-16 and the framework contained in the report *Making Water Conservation a Way of Life*.

Since April, the Administration has received comments on the proposed language from urban and agricultural water suppliers as well as from environmental non-governmental organizations (NGOs).

The Administration is prepared to move the proposed language through the policy committee process. The included language and outline of changes below represents the Administration's work to address many of the suggestions received, ensure consistency with the framework report, and establish legislative criteria for the process and program. This document consists of (1) a summary of the changes that were made, and (2) a marked-up version of RN 17 12268 and RN 17 09926. The blue text indicates changes from the previous RNs. The changes better align the language to the framework laid out in *Making Water Conservation a Way of Life* and incorporate elements of the framework as legislative intent. The changes also provide clarity on the different state authorities and expectations of local agencies.

### **Water Conservation – Urban Water Usage**

The changes focus on the following key issues:

1. Establishment of Commercial, Industrial, and Institutional (CII) Performance Measures
  - The State Water Resources Control Board (Board) will *not* adopt standards for CII, but will adopt performance measures instead, consistent with the framework report.
2. Interim Standards
  - Eliminates the interim standards and instead focuses on assisting local agencies in developing and meeting targets.
3. Board Enforcement
  - Includes factors for the Board to consider when deciding whether to take an enforcement action and allows the Board to refer local agencies to the Department of Water Resources (DWR) for technical assistance
  - In an effort to give agencies a reasonable amount of time to comply with the targets they develop, as well as notice and opportunities to cure noncompliance, adds a new section outlining the schedule for compliance assistance and progressive enforcement. The Board's authority is limited as follows:
    - Information Orders: only after 2022
    - Warning letters: only after 2023
    - Conservation Orders: only after 2024
    - Full enforcement (Cease & Desist Orders, fines): only after 2026
    - No state enforcement against customers; only water suppliers

4. Revising Standards
  - No revised standards until after 2026
  - Clarifies that after 2026 the Board can only consider revising standards based on DWR input, in years ending in 2 and 7
5. Incentives for Recycled Water Use
  - Includes a credit for potable reuse, up to 10 percent of the suppliers overall production
  - Includes requirements that non-potable recycled water is given a special landscape allowance as set forth in the Department's Model Water Efficient Landscape Ordinance
6. Water Rights
  - Includes a strong statement on preserving water rights as per Water Code 1011
7. Stakeholder Involvement
  - Includes a robust and diverse public process for CII stakeholders in the development of the CII performance measures, consistent with the framework
  - Includes a robust and diverse public process for other urban advisory group stakeholders, including NGOs and academics, consistent with the framework
8. Small water suppliers
  - Requires DWR to propose to the Governor and the Legislature, guidance relating to county-wide drought contingency plans to address small water supplier and small community drought planning
9. Framework report, trees, and reporting
  - Explicitly states the legislative intent to adopt standards and a framework that is consistent with the April 2017 report "Making Conservation a Way of Life"
  - Acknowledges the importance of maintaining healthy trees
  - Instructs the state to streamline data and reporting

## **Water Conservation – Agricultural Water Usage**

1. Agricultural Water Management Plans
  - Clarifies that the agricultural water management plans are due in April 2021
2. Annual Water Budget
  - Clarifies the agricultural water management plan will use a water budget based approach
  - Provides for DWR to provide technical assistance to suppliers developing a water budget
3. DWR Enforcement
  - Provides 120 days for an agricultural water supplier to address any deficiencies in the plan identified by DWR

- Following this period, DWR can contract with a third-party to create a plan to replace the deficient plan and can recover all costs from the water supplier
- The water supplier will be required to provide the necessary data to create the plan. DWR may assess a daily fine if the water supplier does not provide the data

**CHANGES TO RN 17 12268**

An act to amend Sections 377, 1058.5, 1120, 1831, and 10608.20 of, and to add **Section 1847.5, other new sections and** Chapter 9 (commencing with Section 10609) to Part 2.55 of Division 6 of, the Water Code, relating to water.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 377 of the Water Code is amended to read:

377. (a) From and after the publication or posting of any ordinance or resolution pursuant to Section 376, a violation of a requirement of a water conservation program adopted pursuant to Section 376 is a misdemeanor. A person convicted under this subdivision shall be punished by imprisonment in the county jail for not more than 30 days, or by a fine not exceeding one thousand dollars (\$1,000), or by both.

(b) A court or public entity may hold a person civilly liable in an amount not to

(c) exceed ten thousand dollars (\$10,000) for a violation of any of the following:

(1) An ordinance or resolution adopted pursuant to Section 376.

(2) An emergency regulation adopted by the board under Section 4058.5, 1058.5 or Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6, unless the board regulation provides that it cannot be enforced under this section. section or provides for a lesser applicable penalty.

(d) Commencing on the 31st day after the public entity notified a person of violation described in subdivision (b), the person additionally may be civilly liable in an amount not to exceed ten thousand dollars (\$10,000) plus five hundred dollars (\$500) for each additional day on which the violation continues.

(e) Remedies prescribed in this section are cumulative and not alternative, except that no liability shall be recoverable under this section for any violation of paragraph (2) of subdivision (b) if the board has filed a complaint pursuant to Section 1846 alleging the same violation.

(f) A public entity may administratively impose the civil liability described in subdivisions (b) and (c) after providing notice and an opportunity for a hearing. The public

entity shall initiate a proceeding under this subdivision by a complaint issued pursuant to Section 377.5. The public entity shall issue the complaint at least 30 days before the hearing on the complaint and the complaint shall state the basis for the proposed civil liability order.

(g)(1) In determining the amount of civil liability to assess, a court or public entity shall take into consideration all relevant circumstances, including, but not limited to, the nature and persistence of the violation, the extent of the harm caused by the violation, the length of time over which the violation occurs, and any corrective action taken by the violator.

(2) The civil liability calculated pursuant to paragraph (1) for the first violation of subdivision (b) by a residential water user shall not exceed one thousand dollars (\$1,000) except in extraordinary situations where the court or public entity finds all of the following:

- (A) The residential user had actual notice of the requirement found to be violated.
- (B) The conduct was intentional.
- (C) The amount of water involved was substantial.

(g) Civil liability imposed pursuant to this section shall be paid to the public entity and expended solely for the purposes of this chapter.

(h) An order setting administrative civil liability shall become effective and final upon issuance of the order and payment shall be made. Judicial review of any final order shall be pursuant to Section 1094.5 of the Code of Civil Procedure.

(i) In addition to the remedies prescribed in this section, a public entity may enforce water use limitations established by an ordinance or resolution adopted pursuant to this chapter, or as otherwise authorized by law, by a volumetric penalty in an amount established by the public entity.

SEC. 2. Section 1058.5 of the Water Code is amended to read:

1058.5. (a) This section applies to any emergency regulation adopted by the board for which the board makes both of the following findings:

(1) The emergency regulation is adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.

(2) The emergency regulation is adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.

(b) Notwithstanding Sections 11346.1 and 11349.6 of the Government Code, any findings of emergency adopted by the board, in connection with the adoption of an emergency regulation under this section, are not subject to review by the Office of Administrative Law.

(c) An emergency regulation adopted by the board under this section may remain in effect for up to ~~270 days, one year~~, as determined by the board, and is deemed repealed immediately upon a finding by the board that due to changed conditions it is no longer necessary for the regulation to remain in effect. An emergency regulation adopted by the board under this section may be renewed if the board determines that the conditions specified in paragraph (2) of subdivision (a) are still in effect.

(d) In addition to any other applicable civil or criminal penalties, any person or entity who violates a regulation adopted by the board pursuant to this section is guilty of an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

(e) (1) Notwithstanding subdivision (b) of Section 1551 or subdivision (e) of Section 1848, a civil liability imposed under Chapter 12 (commencing with Section 1825) of Part 2 of Division 2 by the board or a court for a violation of an emergency conservation regulation adopted pursuant to this section shall be deposited, and separately accounted for, in the Water Rights Fund. Funds deposited in accordance with this subdivision shall be available, upon appropriation, for water conservation activities and programs.

(2) For purposes of this subdivision, an "emergency conservation regulation" means an emergency regulation that requires an end user of water, a water retailer, or a water wholesaler to conserve water or report to the board on water conservation.

Water conservation includes restrictions or limitations on particular uses of water or a reduction in the amount of water used or served, but does not include curtailment of diversions when water is not available under the diverter's priority of right or reporting requirements related to curtailments.

SEC. 3. Section 1120 of the Water Code is amended to read:

1120. This chapter applies to any decision or order issued under this part or Section 275, Part 2 (commencing with Section 1200), Part 2 (commencing with Section 10500) of Division 6, Part 2.55 (commencing with Section 10608) of Division 6, or Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, or the public trust doctrine.

SEC. 4. Section 1831 of the Water Code is amended to read:

1831. (a) When the board determines that any person is violating, or threatening to violate, any requirement described in subdivision (d), the board may issue an order to that person to cease and desist from that violation.

(b) The cease and desist order shall require that person to comply forthwith or in accordance with a time schedule set by the board.



(c) The board may issue a cease and desist order only after notice and an opportunity for hearing pursuant to Section 1834.

(d) The board may issue a cease and desist order in response to a violation or threatened violation of any of the following:

(1) The prohibition set forth in Section 1052 against the unauthorized diversion or use of water subject to this division.

(2) Any term or condition of a permit, license, certification, or registration issued under this division.

(3) Any decision or order of the board issued under this part, Section 275, Chapter 9 (~~commencing with Section 10609~~) of Part 2.55 of Division 6, or Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, or Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, in which decision or order the person to whom the cease and desist order will be issued, or a predecessor in interest to that person, was named as a party directly affected by the decision or order.

(4) A regulation adopted ~~under Section 1058.5~~ by the board, except that this paragraph does not apply to any violation or threatened violation of a regulation adopted under Section 10609.1 unless that violation or threatened violation occurs after July 1, 2026.

(5) Any extraction restriction, limitation, order, or regulation adopted or issued under Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6.

(6) Any diversion or use of water for cannabis cultivation if any of the following applies:

(A) A license is required, but has not been obtained, under Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of the Business and Professions Code.

(B) The diversion is not in compliance with an applicable limitation or requirement established by the board or the Department of Fish and Wildlife under Section 13149.

(C) The diversion or use is not in compliance with a requirement imposed under subdivision (d) or (e) of Section 19332.2 of the Business and Professions Code.

(e) This article does not alter the regulatory authority of the board under other provisions of law.

**SEC. 5. Add Section 1847.5 to the Water Code to read:**

**1847.5. The board may issue an information order or conservation order to an entity or individual for failure to submit a report under subdivision (c) of 10609.1.**

~~SEC. 5.~~ **SEC. 6** Section 10608.20 of the Water Code is amended to read:

10608.20. (a) (1) Each urban retail water supplier shall develop urban water use targets and an interim urban water use target by July 1, 2011. Urban retail water suppliers may elect to determine and report progress toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis.

(2) It is the intent of the Legislature that the urban water use targets described in paragraph (1) cumulatively result in a 20-percent reduction from the baseline daily per capita water use by December 31, 2020.

(b) An urban retail water supplier shall adopt one of the following methods for determining its urban water use target pursuant to subdivision (a):

(1) Eighty percent of the urban retail water supplier's baseline per capita daily water use.

(2) The per capita daily water use that is estimated using the sum of the following performance standards:

(A) For indoor residential water use, 55 gallons per capita daily water use as a provisional standard. Upon completion of the department's 2016 report to the Legislature

pursuant to Section 10608.42, this standard may be adjusted by the Legislature by statute.

(B) For landscape irrigated through dedicated or residential meters or connections, water efficiency equivalent to the standards of the Model Water Efficient Landscape Ordinance set forth in Chapter 2.7 (commencing with Section 490) of Division 2 of Title 23 of the California Code of Regulations, as in effect the later of the year of the landscape's installation or 1992. An urban retail water supplier using the approach specified in this subparagraph shall use satellite imagery, site visits, or other best available technology to develop an accurate estimate of landscaped areas.

(C) For commercial, industrial, and institutional uses, a 10-percent reduction in water use from the baseline commercial, industrial, and institutional water use by 2020.

(3) Ninety-five percent of the applicable state hydrologic region target, as set forth in the state's draft 20x2020 Water Conservation Plan (dated April 30, 2009). If the service area of an urban water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(4) A method that shall be identified and developed by the department, through a public process, and reported to the Legislature no later than December 31, 2010. The method developed by the department shall identify per capita targets that cumulatively result in a statewide 20-percent reduction in urban daily per capita water use by December 31, 2020. In developing urban daily per capita water use targets, the department shall do all of the following:

(A) Consider climatic differences within the state.

(B) Consider population density differences within the state.

(C) Provide flexibility to communities and regions in meeting the targets.

(D) Consider different levels of per capita water use according to plant water needs in different regions.

(E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.

(F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.

(c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).

(d) The department shall update the method described in paragraph (4) of subdivision (b) and report to the Legislature by December 31, 2014. An urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may adopt a new urban daily per capita water use target pursuant to this updated method.

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

(f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using federal, state, and local population reports and projections.

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

(h) (1) The department, through a public process and in consultation with the

and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

(A) Methodologies for calculating base daily per capita water use, baseline commercial, industrial, and institutional water use, compliance daily per capita water use, gross water use, service area population, indoor residential water use, and landscaped area water use.

(B) Criteria for adjustments pursuant to subdivisions (d) and (e) of Section 10608.24.

(2) The department shall post the methodologies and criteria developed pursuant to this subdivision on its Internet Web site, and make written copies available, by October 1, 2010. An urban retail water supplier shall use the methods developed by the department in compliance with this part.

(i) (1) The department shall adopt regulations for implementation of the provisions relating to process water in accordance with subdivision (l) of Section 10608.12, subdivision (e) of Section 10608.24, and subdivision (d) of Section 10608.26.

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

(j) (1) An urban retail water supplier is granted an extension to July 1, 2011, for adoption of an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) due in 2010 to allow the use of technical methodologies developed by the department pursuant to paragraph (4) of subdivision (b) and subdivision (h). An urban retail water supplier that adopts an urban water management plan due in 2010 that does not use the methodologies developed by the department pursuant to subdivision

(h) shall amend the plan by July 1, 2011, to comply with this part.

(2) An urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 (commencing with Section 10610) was due and not submitted in 2010 is granted an extension to July 1, 2011, to permit coordination between an urban wholesale water supplier and urban retail water suppliers.

(k) Nothing in this part limits the authority of the board to adopt standards for water conservation that are in addition to, or exceed the standards provided under this part.

**SEC. 7. Amend Section 10608.48 of the Water Code to read:**

10608.48. (a) On or before July 31, 2012, an agricultural water supplier shall implement efficient water management practices pursuant to subdivisions (b) and (c).

(b) Agricultural water suppliers shall implement **all both** of the following critical efficient management practices:

(1) Measure the volume of water delivered to customers with sufficient accuracy to comply with subdivision (a) of Section 531.10 and to implement paragraph (2).

(2) Adopt a pricing structure for water customers based at least in part on quantity delivered.

(c) Agricultural water suppliers shall implement additional efficient management practices, including, but not limited to, practices to accomplish all of the following, if the measures are locally cost effective and technically feasible:

(1) Facilitate alternative land use for lands with exceptionally high water duties or whose irrigation contributes to significant problems, including drainage.

(2) Facilitate use of available recycled water that otherwise would not be used beneficially, meets all health and safety criteria, and does not harm crops or soils.

(3) Facilitate the financing of capital improvements for on-farm irrigation systems.

(4) Implement an incentive pricing structure that promotes one or more of the following goals:

(A) More efficient water use at the farm level.

(B) Conjunctive use of groundwater.

- (C) Appropriate increase of groundwater recharge.
- (D) Reduction in problem drainage.
- (E) Improved management of environmental resources.
- (F) Effective management of all water sources throughout the year by adjusting seasonal pricing structures based on current conditions.
- (5) Expand line or pipe distribution systems, and construct regulatory reservoirs to increase distribution system flexibility and capacity, decrease maintenance, and reduce seepage.
- (6) Increase flexibility in water ordering by, and delivery to, water customers within operational limits.
- (7) Construct and operate supplier spill and tailwater recovery systems.
- (8) Increase planned conjunctive use of surface water and groundwater within the supplier service area.
- (9) Automate canal control structures.
- (10) Facilitate or promote customer pump testing and evaluation.
- (11) Designate a water conservation coordinator who will develop and implement the water management plan and prepare progress reports.
- (12) Provide for the availability of water management services to water users. These services may include, but are not limited to, all of the following:
  - (A) On-farm irrigation and drainage system evaluations.
  - (B) Normal year and real-time irrigation scheduling and crop evapotranspiration information.
  - (C) Surface water, groundwater, and drainage water quantity and quality data.
  - (D) Agricultural water management educational programs and materials for farmers, staff, and the public.
- (13) Evaluate the policies of agencies that provide the supplier with water to identify the potential for institutional changes to allow more flexible water deliveries and storage.
- (14) Evaluate and improve the efficiencies of the supplier's pumps.
- (d) Agricultural water suppliers shall include in the agricultural water management plans required pursuant to Part 2.8 (commencing with Section 10800) a report on which efficient water

management practices have been implemented and are planned to be implemented, an estimate of the water use efficiency improvements that have occurred since the last report, and an estimate of the water use efficiency improvements estimated to occur five and 10 years in the future. If an agricultural water supplier determines that an efficient water management practice is not locally cost effective or technically feasible, the supplier shall include in the report information documenting that determination.

(e) The ~~data shall~~ department shall require information about the implementation of efficient water management practices to be reported using a standardized form developed pursuant to Section 10608.52.

(f) An agricultural water supplier may meet the requirements of subdivisions (d) and (e) by submitting to the department a water conservation plan submitted to the United States Bureau of Reclamation that meets the requirements described in Section 10828.

(g) On or before December 31, 2013, December 31, 2016, and December 31, 2021, the department, in consultation with the board, shall submit to the Legislature a report on the agricultural efficient water management practices that have been implemented and are planned to be implemented and an assessment of the manner in which the implementation of those efficient water management practices has affected and will affect agricultural operations, including estimated water use efficiency improvements, if any.

(h) The department may update the efficient water management practices required pursuant to subdivision (c), in consultation with the Agricultural Water Management Council, the United States Bureau of Reclamation, and the board. All efficient water management practices for agricultural water use pursuant to this chapter shall be adopted or revised by the department only after the department conducts public hearings to allow participation of the diverse geographical areas and interests of the state.

(i) (1) The department shall adopt regulations that provide for a range of options that agricultural water suppliers may use or implement to comply with the measurement requirement in paragraph (1) of subdivision (b).

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an



emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

~~Sec. 6.~~ **SEC. 8.** Chapter 9 (commencing with Section 10609) is added to Part 2.55 of Division 6 of the Water Code, to read:

CHAPTER 9. URBAN WATER CONSERVATION STANDARDS AND USE REPORTING

**10609. The Legislature finds and declares all of the following:**

**(a) California has suffered through a severe multi-year drought that has threatened the water supplies of communities and residents, damaged agricultural production in many areas, and harmed fish, other animals, and their habitats.**

**(b) California's population of nearly 40 million people will continue to grow, and climate change is expected to make droughts more frequent and persistent, as warmer winter temperatures reduce water held in the Sierra Nevada and cause drier soil conditions.**

**(c) Recognizing these new conditions, permanent changes are needed to ensure water is used more wisely and efficiently.**

**(d) Executive Order B-37-16 outlined the objectives of using water more wisely, eliminating water waste, strengthening local drought resilience, and improving agricultural use efficiency and drought planning.**

**(e) Managing California's water resources to combat climate change and provide for growing demand will require collective and concerted efforts of state and local governments, non-governmental organizations, business, and the public.**

**(f) It is the intent of the Legislature that water suppliers use water budget-based**

planning and long-term standards to set urban water use targets to achieve the following objectives after 2020:

(1) Levels of water conservation and efficiency greater than the levels required by SBx7-7 (2009);

(2) Use of the best available data;

(3) A fair and equitable approach to water savings and efficient water use for each urban water customer;

(4) Input from stakeholders, including but not limited to urban water suppliers, local governments, business and industry associations, environmental and environmental justice organizations, and academic experts.

(g) It is the intent of the Legislature that the following principles apply to the development and implementation of long-term standards for urban water conservation and use:

(1) Long-term standards shall be consistent with objectives identified in the California Water Action Plan, and shall advance the state’s goals to mitigate and adapt to climate change;

(2) Long-term standards shall not determine or alter water rights. Section 1011 of the Water Code shall apply to water conserved through implementation of these standards;

(3) The state must adopt long-term standards for water use efficiency as part of a conservation framework for urban water suppliers, consistent with the April 2017 report entitled “making Water Conservation a California Way of Life”;

(4) The state must develop the long-term standards through a diverse and robust stakeholder process with regional differentiation;

(5) Local urban water suppliers should have primary responsibility for meeting standards-based water use targets, and they must retain the flexibility to develop their

water supply portfolios, design and implement water conservation strategies, educate their customers, and enforce their rules;

(6) Because recycled water is a key part of the state’s larger strategy to develop a more resilient water supply and increase regional self-reliance, recycled water must continue to be incentivized within the long-term standards or through their implementation;

(7) Long term standards, and the related standards-based water use targets, should acknowledge the shade, air quality, and heat-island reduction benefits provided to communities by trees through the support of water-efficient irrigation practices that keep trees healthy.

(8) Statewide emergency conservation standards can be avoided if urban water suppliers increase drought resilience through improved drought planning and conservation and efficiency gains;

(9) Urban water suppliers should have the time and tools necessary to meet standards-based water use targets. State enforcement of the standards-based water use targets should be limited to water suppliers, not individual customers, and should not occur until an urban water supplier has been given reasonable time, access to technical assistance, and opportunities to meet the standard; and

(10) The state should identify opportunities for streamlined reporting, eliminate redundant data submittals, and incentivize open access to data collected by urban and agricultural water suppliers.

(11) Small water suppliers and rural communities are not covered by established water shortage planning requirements

(A) Currently most counties do not address water shortages or do so minimally in their General Plan or the Hazard Mitigation Plan.

(B) The State should provide guidance to improve drought planning for small water

suppliers and rural communities.

~~10609~~ **10609.1.** (a) The board, in consultation with the department, shall adopt long-term standards for urban water conservation and water use by May 20, 2021. The standards shall include, but are not limited to, standards for all of the following:

(1) Indoor residential water use.

(2) Outdoor irrigation in connection with domestic, industrial, institutional, or commercial water use.

~~(3) Industrial, institutional, and commercial water use.~~

~~(b) The board, in consultation with the department, may adopt interim standards for urban water conservation and water use pending the adoption of long term standards pursuant to subdivision (a). The board, in consultation with the department, may update the interim standards as it determines to be reasonably necessary for purposes of this section, except that the board may not set new or revised standards under this subdivision after the board adopts long term standards pursuant to subdivision (a) or May 20, 2021, whichever occurs first.~~

~~(c) (1) Long term standards, and any amendments to those standards, adopted by the board pursuant to subdivision (a) shall be adopted in accordance with the regular rulemaking process provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.~~

~~(2) (A) Except for long term standards, and any amendment to those standards, adopted pursuant to subdivision (a), regulations adopted by the board pursuant to this chapter, and any amendment or subsequent adjustment to those regulations, shall be adopted by the board as emergency regulations, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of regulations pursuant to this paragraph shall be deemed an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340)~~

~~of Part 1 of Division~~

~~3 of Title 2 of the Government Code, an emergency regulation adopted by the board pursuant to this paragraph shall remain in effect until revised by the board.~~

~~(B) Before adopting an emergency regulation pursuant to this paragraph, the board shall provide at least 60 days for the public to review and comment on the proposed regulation and shall hold a public hearing.~~

**(b) The board, in consultation with the department, shall by May 20, 2021 adopt performance measures for industrial, commercial, and institutional water use designed to produce measurable water use efficiency improvements, and that build upon industry best practices, use of innovative technologies, and existing data on cost-effectiveness. Performance measures shall include, but are not limited to, water audits, converting mixed CII irrigation accounts to dedicated irrigation meters, and water management planning.**

**(c) Urban water suppliers shall:**

**(1) Calculate a water use target, in accordance with regulations adopted by the board described in subdivision (a), no later than July 1, beginning the calendar year after the board adopts standards pursuant to subdivision (a). Each urban water supplier's water use target shall be comprised of an indoor residential volume, an outdoor irrigation volume, and a volume for water loss as specified by Water Code Section 10608.34. The outdoor irrigation volume shall exclude potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b).**

**(2) Annually submit a report to the department by July 1, beginning the calendar year after the board adopts standards pursuant to subdivision (a). The report shall describe the supplier's calculated water use target, actual water use consistent with criteria described in subdivision (c)(1), documentation of CII performance measure implementation, and a narrative describing progress made towards meeting the target.**

The department shall post the reports and information on its internet website.

(d)(1) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2020, standards for indoor residential use and outdoor irrigation for adoption by the board in accordance with this chapter. After 2026, department shall recommend updates to its initial recommendation to the board in years ending in 2 and 7 to allow for consideration by the board in accordance with subdivision (h).

(2) In recommending these standards, the department, in coordination with the board, shall develop guidelines and methodologies as necessary for calculating irrigable landscape area, irrigated landscape area, and indoor water use for the board to consider in adoption of the standards.

(e) (1) Prior to setting performance measures for commercial, industrial, and institutional (CII) water use, the department, in coordination with the board, shall solicit broad public participation relating to:

(A) Recommendations for a CII classification system for California;

(B) Recommendations for setting minimum size thresholds for converting mixed CII meters to dedicated irrigation meters, and evaluate and recommend technologies that could be used in lieu of requiring dedicated irrigation meters; and

(C) Recommendations for CII best management practices, including, but not limited to, water audits and water management plans for CII customers over a recommended size, volume, or other threshold.

(2) In their solicitation for public participation pursuant to paragraph (1), the department and the board shall invite representatives from throughout the state, including at least one representative from each hydrologic region, representing ~~from all~~ the following categories:

(A) Urban retail water suppliers, including combined retail water and wastewater

agencies;

(B) Urban wholesale water suppliers;

(C) Academic experts;

(D) Economic development interests;

(E) Business community representatives;

(F) Environmental and environmental justice organizations;

(G) Commercial water users;

(H) Industrial water users; and

(I) Institutional water users.

(3) Recommendations of appropriate performance measures for commercial, industrial, or institutional water use shall consider the 2013 report to the Legislature by the CII Task Force entitled “Water Use Best Management Practices,” and shall support the economic productivity of California’s commercial, industrial, and institutional sectors.

(f) Standards adopted by the board shall include a credit for recycled water as set forth below:

(1) For the outdoor irrigation standard, non-potable recycled water shall be given a special landscape allowance as set forth in the department’s Model Water Efficient Landscape Ordinance.

(2) A supplier shall receive a credit for the volume of its potable water reuse, on an acre-foot basis, to meet its target.

(3) In no case shall a credit pursuant to subdivision (f)(2) exceed ten percent of the supplier’s water use target.

(g) The department and board shall solicit broad public participation relating to the development of the long-term standards for urban water conservation and use. In the solicitation for public participation related to this section, the department and board shall invite representatives of small, medium, and large urban retail water suppliers from

throughout the state, including at least one representative from each hydrologic region; academic experts; urban water wholesale water suppliers; business organizations; environmental and environmental justice organizations; and combined retail water and wastewater agencies.

(h)(1) After 2026, the board and department shall consider, in years ending in two and seven, whether the board should update long-term standards for urban water conservation and water use and CII performance measures. Prior to proposing new standards for board adoption, the department and board shall solicit broad public participation as described in subdivision (g).

(2) The department and board may conduct additional studies, pilot projects, and other necessary actions in order to determine whether to update standards and CII performance measures.

~~(d)~~ (i) Notwithstanding Section 15300.2 of Title 14 of the California Code of Regulations, an action of the board taken under this chapter shall be deemed to be a Class 8 action, within the meaning of Section 15308 of Title 14 of the California Code of Regulations, provided that the action does not involve relaxation of existing water conservation or water use standards.

10609.2 (a) Beginning on or after July 1, 2022, the board may issue informational orders pertaining to water production, water use, and water conservation to a water supplier that does not meet its water use target required by this chapter. Informational orders are intended to obtain information on supplier activities, water production, and conservation efforts in order to identify technical assistance needs and assist suppliers in meeting their water use targets.

(1) In determining whether to issue an informational order, the Board shall consider the degree to which the supplier is not meeting its water use target, information provided in the report required by subdivision (c)(2) of section 10609.1, and actions the supplier has



implemented or will implement in order to help meet the water use target by 2025.

(2) The board shall share information received under subdivision (a) with the department.

(3) Suppliers may request technical assistance from the department. The technical assistance may, to the extent available, include guidance documents, tools, and data.

(b) Beginning on or after July 1, 2023, the board may issue a written notice to any urban water supplier that does not meet its water use target required by this chapter. The written notice may warn the supplier that it is not meeting its water use target and is not making adequate progress in meeting the target by 2025, and may request that the supplier address areas of concern in its next annual report required under subdivision (c)(2) of section 10609.1. In considering whether to issue a written notice, the board may consider whether the supplier has received an informational order, the degree to which the supplier is not meeting its water use target, information provided in the report required by subdivision (c)(2) of section 10609.1, and actions the supplier has implemented or will implement in order to help meet its water use target.

(c) Beginning on or after July 1, 2024, the board may issue a conservation order to a water supplier that does not meet its water use target required by this chapter. A conservation order may consist of, but is not limited to, referral to the department for technical assistance, requirements for education and outreach, requirements for local enforcement, and other efforts to assist suppliers in meeting their water use targets.

(1) In issuing a conservation order, the board shall identify specific deficiencies in a supplier's progress towards meeting its water use target, and identify specific actions to address the deficiencies.

(2) The board may request that department provide suppliers with technical assistance to support the supplier's actions to remedy the deficiencies.

10609.23. The board may issue a regulation or informational order requiring a

distributor of a public water supply, as that term is used in Section 350, to submit information relating to water production, water use, or water conservation.

**SEC. 9. Add to the Water Code.**

**The department shall, by August 1, 2020, propose to the Governor and the Legislature recommendations and guidance relating to the development and use of county-wide drought contingency plans to address small water suppliers and rural communities drought planning. The department shall consider if such plans should be included in county local hazard mitigation plans. The recommendations and guidance may include reporting and data recording, communications planning, roles and responsibilities and coordination with other relevant water management planning efforts. In formulating the proposal, the department shall utilize a public process involving state agencies, cities, counties, small communities, small water suppliers, and stakeholders.**

**CHANGES TO RN 17 09926**

An act to amend Sections 350, 531.10, 10610.2, 10610.4, 10620, 10621, 10630, 10631, 10631.2, 10635, 10640, 10641, 10642, 10644, 10645, 10650, 10651, 10653, 10654, 10656, 10814, 10820, 10826, and 10845 of, to amend and renumber Sections 10612 and 10617 of, to repeal Sections 10631.7 and 10853 of, to repeal and add Section 10632 of, and to add Sections 10612, 10617, 10617.5, 10632.1, 10632.2, 10632.3, and 10826.2 to, the Water Code, relating to water.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 350 of the Water Code is amended to read:

350. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, ~~may~~ shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire ~~protection.~~ protection or upon determining a water shortage level 4 or greater exists. as described in paragraph (2) of subdivision (a) of Section 10632.

SEC. 2. Section 531.10 of the Water Code is amended to read:

531.10. (a) An agricultural water supplier shall submit an annual report to the department that summarizes aggregated farm-gate delivery data, on a monthly or bimonthly basis, using best professional practices. ~~For agricultural water suppliers providing water supplies to 10,000 or more irrigated acres, excluding recycled water, the report shall be organized by groundwater subbasin within the agricultural water supplier's service area, if applicable. The report for the prior year shall be submitted to the department by April 1 of each year. The annual report shall be organized by basin, as defined in Section 10721, within the service area of the agricultural water supplier, if applicable.~~

(b) The report, and any amendments to the report, submitted to the department pursuant to subdivision (a) shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(c) The department shall post all reports on its Internet Web site in a manner that allows for comparisons across water suppliers. The department shall make the reports available for public viewing in a timely manner after it receives them.

~~(b)~~ (d) Nothing in this article shall be construed to require the implementation of water

measurement programs or practices that are not locally cost effective.

~~(e)~~ (e) It is the intent of the Legislature that the requirements of this section shall complement and not affect the scope of authority granted to the department or the board by provisions of law other than this article.

SEC. 3. Section 10610.2 of the Water Code is amended to read:

10610.2. (a) The Legislature finds and declares all of the following:

(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.

(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.

(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic ~~climate~~; climate and increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water ~~years~~. years now and into the foreseeable future and every urban water supplier should actively engage local land-use authorities to ensure water demand forecasts are consistent with current land-use planning.

(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.

(6) Implementing effective water management strategies, including groundwater storage

projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.

(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modification to existing treatment facilities.

(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.

(9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

SEC. 4. Section 10610.4 of the Water Code is amended to read:

10610.4. The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.

(c) Urban water suppliers shall be required to develop water management plans ~~to actively pursue~~ achieve the efficient use of available supplies. supplies and strengthen local drought planning.

SEC. 5. Section 10612 of the Water Code is amended and renumbered to read:

~~10612.~~

10611.3. "Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial

uses.

SEC. 6. Section 10612 is added to the Water Code, to read:

10612. "Drought risk assessment" means a method that examines water shortage risks for the next five or more consecutive years based on the driest 5-year historic sequence for the agency's water supply.

SEC. 7. Section 10617 of the Water Code is amended and renumbered to read: ~~10617.~~

10618. "Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

SEC. 8. Section 10617 is added to the Water Code, to read:

10617. "Water budget forecast" means a method that looks at current year and one or more dry year supplies and demands for determining water shortage risks.

SEC. 9. Section 10617.5 is added to the Water Code, to read:

10617.5. "Water shortage contingency plan" means a document that incorporates the provisions detailed in subdivision (a) of Section 10632 and is subsequently adopted by an urban water supplier pursuant to this article.

SEC. 10. Section 10620 of the Water Code is amended to read:

10620. (a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (1) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of ~~conservation and~~ conservation. efficient water use ~~use.~~ and improved local drought resilience.

(2) Notwithstanding paragraph (1), each urban water supplier shall develop its own water shortage contingency plan but an urban water supplier may incorporate, collaborate, and otherwise share information with other urban water suppliers or other governing entities participating in area-wide, regional, watershed, or basin-wide urban water management plan, agricultural management plan, or groundwater sustainability plan development.

~~(2)~~

(3) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

SEC. 11. Section 10621 of the Water Code is amended to read:

10621. (a) Each urban water supplier shall update its plan at least once every five years on or before ~~December 31, July 1,~~ July 1, in years ending in five and zero, ~~except as provided in~~



~~subdivision (d) and (e). six and one. incorporating updated and new~~ information from the five years preceding each update.

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) An urban water supplier regulated by the Public Utilities Commission shall include its most recent plan and water shortage contingency plan as part of the supplier's general rate case filings.

~~(e)~~

(d) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

~~(d)~~

(e) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.

~~(e)~~

(g) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.

SEC. 12. Section 10630 of the Water Code is amended to read:

10630. It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water ~~supplied. supplied, while accounting for impacts from~~ climate change.

SEC. 13. Section 10631 of the Water Code is amended to read:

10631. A plan shall be adopted in accordance with this chapter that shall do all of the

following:

(a) Describe the service area of the supplier, including current and projected population, ~~climate~~, impacts from climate change, and other social, economic, and demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available. The description shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Land use information shall be obtained from local or regional land-use authorities, as developed pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). ~~If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan: (a), including all of the following:~~

(1) For each source of water supply, while considering any information pertinent to the reliability analysis conduct pursuant to Section 10635, provide a detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment.

(2) When multiple sources of water supply are identified, describe the management of each supply in correlation with the other identified supplies.

(3) For any planned sources of water supply, describe the measures that are being undertaken to acquire and develop those water supplies.

(4) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

~~(1)~~

(A) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

~~(2)~~

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted a high- or medium-priority basin or has projected that the basin will become overdrafted a high- or medium-priority basin pursuant to Sections 10722.4 and 10933 if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long term overdrafted condition. coordinate with groundwater sustainability agencies to eliminate the undesirable results described in a groundwater sustainability plan pursuant to Section 10727.

~~(3)~~

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

~~(4)~~

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based

on information that is reasonably available, including, but not limited to, historic use records.

(E) A copy of any pertinent groundwater sustainability plans for groundwater basins underlying the urban water supplier's service area.

~~(e)(1) Describe the reliability of the water supply and vulnerability to seasonal or climactic shortage, to the extent practicable, and provide data for each of the following:~~

~~(A) An average water year.~~

~~(B) A single dry water year.~~

~~(C) Multiple dry water years~~

~~(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.~~

~~(d)~~

(c) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

~~(d) (1) Quantify, to the extent records are available, Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use; use, based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors, including, but not necessarily limited to, all of the following uses. following: Single-family residential.~~

(A) Multifamily.

(B) Commercial.

(C) Industrial.

(D) Institutional and governmental.

(E) Landscape.

(F) Sales to other agencies.

(G) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(H) Agricultural.

(I) Distribution system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) ~~For the 2015 urban water management plan update, the distribution system water loss shall be quantified for the most recent 12-month period available. For all subsequent updates, the~~ The distribution system water loss shall be quantified for each of the five years preceding the plan ~~update.~~ update in accordance with rules adopted pursuant to Section 10608.34.

(B) ) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(C)After 2021, data to show whether the urban water supplier met the distribution loss standards enacted by the board pursuant to Section 10608.34.

(4) (A) ~~If available and applicable to an urban water supplier, water~~ Water use projections may projections, where available, shall display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

~~(f)~~

(e) Provide a description of the supplier's water demand management measures.

This description shall include all of the following:

(1) (A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section ~~10608.20~~. 10608.20 and any water use standards adopted by the board.

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph

(B) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

~~(g)~~

(f) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, normal, single-dry, and multiple-dry water years. and for a period of drought lasting five or more consecutive water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program .

~~(h)~~

(g) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

~~(i) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivision (f) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required b) Section 6.2 of that memorandum.~~

~~(j)~~

(h) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency

shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision# (.fl. An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and-fe}. (fl

SEC. 14. Section 10631.2 of the Water Code is amended to read:

10631.2. (a) In addition to the requirements of Section 10631, an urban water management plan ~~may, but is not required to,~~ shall include any of the following ~~information:-~~  
information that the urban water supplier can readily obtain:

- (1) An estimate of the amount of energy used to extract or divert water supplies.
- (2) An estimate of the amount of energy used to convey water supplies to the water treatment plants or distribution systems.
- (3) An estimate of the amount of energy used to treat water supplies.
- (4) An estimate of the amount of energy used to distribute water supplies through its distribution systems.
- (5) An estimate of the amount of energy used for treated water supplies in comparison to the amount used for nontreated water supplies.
- (6) An estimate of the amount of energy used to place water into or withdraw from storage.
- (7) Any other energy-related information the urban water supplier deems appropriate.

(b) The department shall include in its guidance for the preparation of urban water management plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems. The department may consider studies and calculations conducted by the Public Utilities Commission in developing the methodology.



SEC. 15. Section 10631.7 of the Water Code is repealed.

~~10631.7. The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009, and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.~~

SEC. 16. Section 10632 of the Water Code is repealed.

~~10632. (a) The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:~~

~~(1) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that are applicable to each stage.~~

~~(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three year water historic sequence for the agency's water supply.~~

~~(3) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.~~

~~(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.~~

~~(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve water use reduction consistent with up to a 50 percent reduction in water supply.~~

~~(6) Penalties or charges for excessive use, where applicable.~~

~~(7) An analysis of the impacts of each of the actions and conditions described in paragraphs (1) to (6), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.~~

~~(8) A draft water shortage contingency resolution or ordinance.~~

~~(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.~~

~~(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code~~

SEC. 17. Section 10632 is added to the Water Code, to read:

10632. (a) Every urban water supplier shall prepare and adopt a water shortage contingency plan as part of its urban water management plan that consists of each of the following elements:

(1) The procedures used in conducting an annual water budget forecast that include, at a

minimum, both of the following:

(A) The written decisionmaking process that an urban water supplier will use each year to determine its water supply reliability.

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one or more dry years, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one or more dry years.

(iii) Existing infrastructure capabilities and plausible constraints.

(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water budget forecast.

(v) A description and quantification of each source of water supply.

(2) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent shortage. Shortage levels shall also apply to catastrophic interruption of water supplies, including, but not limited to, a regional power outage, an earthquake, and other potential emergency events.

(3) Shortage response actions that align with the defined shortage levels and shall include, at a minimum, all of the following:

(A) Locally appropriate supply augmentation actions.

(B) Locally appropriate demand reduction actions to adequately respond to shortages.

(C) Locally appropriate operational changes.

(D) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions.

(E) For each action, an estimate of the volume of water or percentage reduction in water use that will be achieved by implementation of the action.

(4) Communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding, at a minimum, all of the following:

(A) Any current or predicted shortages as determined by the annual water budget forecast as determined pursuant to Section 10632.1.

(B) Any shortage response actions triggered or anticipated to be triggered by the annual water budget forecast as determined pursuant to Section 10632.1,

(C) Any other relevant communications.

(5) Customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions as determined pursuant to Section 10632.2.

(6) (A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (3) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

(B) An urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1 in the event of either of the following:

(i) A water shortage level 4 or greater, as described in paragraph (2), is determined to exist.

(ii) A severe catastrophic interruption of the water supply of the urban water supplier has occurred.

(C) An urban water supplier shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency, as defined in Section 8558 of the Government Code.

(7) A description of the financial consequences of and responses for drought conditions,

including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (3).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (3).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

(8) Monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

(9) Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency plan pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

(c) The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

SEC. 18. Section 10632.1 is added to the Water Code, to read:

10632.1. An urban water supplier shall conduct the annual water budget forecast

pursuant to subdivision (a) of Section 10632 and, by the ~~10th day of May~~ 1<sup>st</sup> day of June of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance, and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan.

SEC. 19. Section 10632.2 is added to the Water Code, to read:

10632.2. An urban water supplier shall adhere to the prescribed procedures and implement determined shortage response actions in its water shortage contingency plan as identified in subdivision (a) of Section 10632 in drought and water shortage conditions.

SEC. 20. Section 10632.3 is added to the Water Code, to read:

10632.3 The department may update the Urban Water Management Guidebook to include and further clarify, where necessary, the requirements contained in subdivision (a) of Section 10632.

SEC. 21. Section 10635 of the Water Code is amended to read:

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and ~~multiple dry water years~~ a drought lasting five or more consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information

considered in developing the demand management measures and water supply projects and programs to be included in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall satisfy the following requirements:

(1)A description of data, methodology, and basis for one or more supply shortage conditions to conduct a drought risk assessment for a drought period that lasts five or more consecutive years, starting from the year following when the assessment is conducted.

(2)A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period. Potable reuse, recycled water, and desalination are considered fully reliable.

(3)Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

~~(b)~~

(c) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

~~(e)~~

(d) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

~~(d)~~

(e) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

SEC. 22. Section 10640 of the Water Code is amended to read:

10640. (a) Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630). The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

~~The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.~~

(b) Every urban water supplier required to prepare a water shortage contingency plan shall prepare a water shortage contingency plan pursuant to Section 10632. The supplier shall likewise periodically review the water shortage contingency plan as required by paragraph (9) of subdivision (a) of Section 10632 and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

SEC. 23. Section 10641 of the Water Code is amended to read: 10641. An urban water supplier required to prepare ~~a~~ an urban water management plan or a water shortage contingency plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

SEC. 24. Section 10642 of the Water Code is amended to read:

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of both the plan, urban water management plan and the water shortage contingency plan. Prior to adopting ~~a~~ either plan, the urban water supplier shall make ~~the plan~~ both of the plans available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The



urban water supplier shall provide notice of the time and place of hearing to any city or county within which the supplier provides water supplies. Notices by a local public agency pursuant to this section shall be provided pursuant to Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing, the urban water management plan or water shortage contingency plan shall be adopted as prepared or as modified after the hearing.

SEC. 25. Section 10644 of the Water Code is amended to read:

10644. (a) (1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(2) The plan, or amendments to the plan, submitted to the department pursuant to paragraph (1) shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(b) If an urban water supplier revises its water shortage contingency plan, the supplier shall submit to the department a copy of its water shortage contingency plan prepared pursuant to subdivision (a) of Section 10632 no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.

~~(b)~~

~~(c)~~ (1) (A) Notwithstanding Section 10231.5 of the Government Code, ~~and except as provided in subparagraph (B),~~ the department shall prepare and submit to the Legislature, on or before ~~December 31, July 1,~~ in the years ending in six and one, seven and two, a report summarizing the status of the plans adopted pursuant to this part.

The report prepared by the department shall identify the exemplary elements of the individual

plans. The department shall provide a copy of the report to each urban water supplier that has submitted its ~~plan~~ plans to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans submitted pursuant to this part.

(B) The department shall prepare and submit to the board, on or before June 1 of each year, a report summarizing the submitted water budget forecast results along with appropriate reported water shortage conditions and the regional and statewide analysis of water supply conditions developed by the department. As part of the report, the department shall provide a summary and, as appropriate, urban water supplier specific information regarding various shortage response actions implemented as a result of annual supplier-specific water budget forecast assessments performed pursuant to Section 10632.1. The report shall include enough information on the completeness and adequacy of the information submitted for the board to determine if noncompliance enforcement is necessary.

~~(B)~~

(C) The department shall submit the report to the Legislature for the 2015 plans by July 1, 2017, and the report to the Legislature for the 2020 plans by July 1, 2022.

(2) A report to be submitted pursuant to subparagraph (A) of paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(c) (1) For the purpose of identifying the exemplary elements of the individual plans, the department shall identify in the report water demand management measures adopted and implemented by specific urban water suppliers, and identified pursuant to Section 10631, that achieve water savings significantly above the levels established by the department to meet the requirements of Section 10631.5.

(2) The department shall distribute to the panel convened pursuant to Section 10631.7 the results achieved by the implementation of those water demand management measures described in paragraph (1).

(3) The department shall make available to the public the standard the department \_\_\_\_\_  
will use to identify exemplary water demand management measures. SEC. 26. Section 10645  
of the Water Code is amended to read:

10645. (a) Not later than 30 days after filing a copy of its plan with the  
department, the urban water supplier and the department shall make the plan available for  
public review during normal business hours.

(b) Not later than 30 days after filing a copy of its water shortage contingency plan with  
the department, the urban water supplier and the department shall make the plan available for  
public review during normal business hours.

SEC. 27. Section 10650 of the Water Code is amended to read:

10650. Any actions or ~~proceedings~~ proceedings, other than actions by the board, to  
attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the  
grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt ~~a~~ an urban water management plan or  
a water shortage contingency plan shall be commenced within 18 months after that adoption is  
required by this part.

(b) Any action or proceeding alleging that ~~a~~ an urban water management plan or water  
shortage contingency plan, or action taken pursuant to ~~the~~ either plan, does not comply with  
this part shall be commenced within 90 days after filing of the urban water management plan  
or water shortage contingency plan or an amendment thereto to either plan pursuant to Section  
10644 or the taking of that action.

SEC. 28. Section 10651 of the Water Code is amended to read:

10651. In any action or proceeding to attack, review, set aside, void, or annul ~~a~~ an  
urban water management plan or a water shortage contingency plan, or an action taken pursuant  
to ~~the~~ either plan by an urban water supplier on the grounds of noncompliance with this part,

the inquiry shall extend only to whether there was a prejudicial abuse of discretion. Abuse of discretion is established if the supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

SEC. 29. Section 10653 of the Water Code is amended to read:

10653. The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the ~~State Water Resources Control Board~~ board and the Public Utilities Commission, for the preparation of water management ~~plan~~ plans, water shortage contingency plans, or conservation plans; provided, that if the ~~State Water Resources Control Board~~ board or the Public Utilities Commission requires additional information concerning water ~~conservation~~ conservation, drought response, measures, and financial information to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan ~~prepared to meet that complies with analogous~~ federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this part, or by any existing urban water management plan which includes the contents of a plan required under this part.

SEC. 30. Section 10654 of the Water Code is amended to read:

10664. An urban water supplier may recover in its rates the costs incurred in preparing its ~~plan~~ urban water management plan and its water shortage contingency plan and implementing the reasonable water conservation measures included in ~~the either plan. Any best water management practices that is included in the plan that is in the "Memorandum of Understanding Regarding Urban Water Conservation in California" is deemed to be reasonable for the purposes of this section.~~

SEC. 31. Section 10656 of the Water Code is amended to read:

10656. An urban water supplier that does not prepare, adopt, and submit its urban water management plan or its water shortage contingency plan to the department in accordance with this part, is ineligible to receive funding pursuant to Division 24 (commencing with Section 78500) or Division 26 (commencing with Section 79000), or receive drought assistance from the state until the urban water management plan or water shortage contingency plan is submitted pursuant to this article.

SEC. 32. Section 10814 of the Water Code is amended to read:

10814. "Person" ~~means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of that entity. has the~~ same meaning as defined in Section 10614.

SEC. 33. Section 10820 of the Water Code is amended to read:

10820. (a) ~~An (1) Except as provided in paragraph (2), an~~ agricultural water supplier shall prepare and adopt an agricultural water management plan in the manner set forth in this chapter on or before December 31, 2012, and shall update that plan on December 31, 2015, and on or before December 31 every five years thereafter.

(2) (A) The agricultural water management plan required to be updated on or before December 31, 2020, shall **instead** be updated on or before April 1, 2021. That plan shall satisfy the requirements of Section 10826.

(B) On and after April 1, 2021, an agricultural water supplier shall update its agricultural water management plan on or before April 1 in years ending in six and in years ending in one.

(C) An agricultural water supplier shall submit its plan to the department no later than 30 days after the adoption of the plan. The plan shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

~~(b)~~

(b) (1) The department shall review each plan that is due by April 1, 2021, and thereafter for plans submitted in years ending in one and six. The department may coordinate

its review with the Department of Food and Agriculture and the board.

(2) The department shall notify an agricultural water supplier that it is not in compliance with this part if the department determines that actions are required to comply with the requirements of this part or if a supplier fails to update a plan as provided in paragraph (2) of subdivision (a). The department shall identify the specific deficiencies and the supplier shall have 120 days to remedy the deficiency. An agricultural water supplier that fails to submit corrective actions or a completed plan shall not be in compliance with this part.

(3) The department shall notify an agricultural water supplier that does not submit a plan pursuant to subdivision (a) that no plan was received by the department. If within 120 days of the notice an agricultural water supplier that does not submit a plan pursuant to subdivision (a) shall be in noncompliance with this part.

(4) If the department has not received a plan or the department has determined that the plan submitted does not comply with the requirements of this part, and a revised plan has not been submitted, the department may undertake the following actions:

(A) Contract with state academic institutions or a qualified entity to prepare or complete an agricultural water management plan on behalf of the supplier. The department shall assess its cost of the contract, the contract's administration by the department, and the department's costs in implementing this paragraph on behalf of the supplier.

(B) If a supplier does not provide data necessary for the preparation or completion of a plan to the department or the contracting entity as determined by the department in accordance with subparagraph (A), the department may assess a fine of one thousand dollars (\$1,000) per day until data is made available.

(6) (i) A plan prepared or completed pursuant to paragraph (5) shall be deemed the adopted plan for the supplier.

(ii) Any action to challenge or invalidate the adequacy of the plan prepared or completed pursuant to paragraph (5) shall be brought against the supplier for whom the plan was prepared.

(c) Every supplier that becomes an agricultural water supplier after December 31, 2012, shall prepare and adopt an agricultural water management plan within one year after the date it has become an agricultural water supplier.

~~(b)~~ (d) A water supplier that indirectly provides water to customers for agricultural purposes shall not prepare a plan pursuant to this part without the consent of each agricultural water supplier that directly provides that water to its customers.

SEC. 34. Section 10826 of the Water Code is amended to read:

10826. An agricultural water management plan shall be adopted in accordance with this chapter.

The plan shall do all of the following:

(a) Describe the agricultural water supplier and the service area, including all of the following:

- (1) Size of the service area.
- (2) Location of the service area and its water management facilities.
- (3) Terrain and soils.
- (4) Climate.
- (5) Operating rules and regulations.
- (6) Water delivery measurements or calculations.
- (7) Water rate schedules and billing.
- (8) Water shortage allocation policies.

(b) Describe the quantity and quality of water resources of the agricultural water supplier, including all of the following:

- (1) Surface water ~~supplies~~ supply.
- (2) Groundwater supply.

- (3) Other water ~~supplies.~~ supplies, including recycled water.
- (4) Source water quality monitoring practices.
- (5) Water uses within the agricultural water supplier's service area, including all of the following:

- (A) Agricultural.
- (B) Environmental.
- (C) Recreational.
- (D) Municipal and industrial.
- (E) Groundwater ~~recharge.~~ recharge, including deep percolation from irrigation and seepage.

~~(F) Transfers and exchanges.~~

~~(G) Other water uses.~~

~~(6) Drainage from the water supplier's service area.~~

~~(7) Water accounting, including all of the following:~~

(c) Quantifying the water supplier's projected water supplies. Include an annual water budget based on the quantification of all inflow and outflow components for the service area of the agricultural water supplier. Components of inflow shall include surface inflow, groundwater pumping in the service area, and effective precipitation. Components of outflow shall include surface outflow, deep percolation, and evapotranspiration. An agricultural water supplier shall report the annual water budget on a water-year basis. The department shall provide tools and resources to assist agricultural water suppliers in developing and quantifying components necessary to develop a water budget.

~~(B) Tabulating water uses.~~

~~(C) Overall water budget.~~

~~(8) Water supply reliability.~~

(d) Include an analysis, based on available information, of the effect of climate change on future water supplies.

(e) Describe previous water management activities.



(f) Identify water management objectives based on the water budget to improve water system efficiency. The agricultural water supplier shall identify, prioritize, and implement actions to reduce water loss, improve water system management, and meet other water management objectives identified in the plan.

(g) Include in the plan information regarding efficient water management practices information required pursuant to Section 10608.48.

(h) Quantify the efficiency of agricultural water use within the service area of the agricultural water supplier using the appropriate method or methods from among the four water use efficiency quantification methods developed by the department in the May 8, 2012, report to the Legislature entitled “A Proposed Methodology for Quantifying the Efficiency of Agricultural Water Use.” The agricultural water supplier shall account for all water uses, including crop water use, agronomic water use, environmental water use, and recoverable surface flows.

**SEC. 35. Section 10826.2 is added to the Water Code to read:**

10826.2. As part of its agricultural water management plan, each agricultural water supplier shall develop a drought plan for periods of limited water supply describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions. The drought plan shall contain both of the following:

- (a) Resilience planning, including all of the following:
  - (1) Data, indicators, and information needed to determine the water supply availability and levels of drought severity.
  - (2) Analyses and identification of potential vulnerability to drought.

**(3) A description of the opportunities and constraints for improving drought resilience planning, including all of the following:**

- (A) The availability of new technology or information.**
- (B) The ability of the agricultural water supplier to obtain or use additional water supplies during drought conditions.**

~~(C) Opportunities and constraints for further improving~~ **A description of other actions planned for implementation to improve** drought resilience.

- ~~(4) Planning objectives for drought resilience.~~
- ~~(5) Actions implemented and planned for achieving the objectives and a schedule for those actions.~~
- ~~(6) Cost information and financing considerations.~~
- (b) Drought response planning, including all of the following:
  - (1) Policies and a process for declaring a water shortage and for implementing water shortage allocations and related response actions.
  - ~~(2) Response actions corresponding to different levels of water shortage, including, but not limited to, operational adjustments and demand management.~~
  - ~~(3) (2)~~ Methods and procedures for the enforcement or appeal of, or exemption from, triggered shortage response actions.
  - ~~(4) (3)~~ Methods and procedures for monitoring and evaluation of the effectiveness of the drought plan.
  - ~~(5) (4)~~ Communication protocols and procedures to inform and coordinate customers, the public, interested parties, and local, regional, and state government.
  - ~~(6) An analysis of the financial consequence of each of the actions and conditions described in paragraphs (1) to (5), inclusive, on the revenues and expenditures of the agricultural water supplier, and proposed measures to overcome those impacts, such as the development of reserve revenues.~~
- (5) A description of the potential impacts on the revenues, financial condition, and planned expenditures of the agricultural water supplier during drought conditions that reduce water allocations, and proposed measures to overcome those impacts, including reserve level policies.**

**SEC. 36. Section 10843 of the Water Code is amended to read:**

10843. (a) An agricultural water supplier shall submit to the entities identified in subdivision (b) a copy of its plan no later than 30 days after ~~the supplier is notified by the department that the department has completed its review pursuant to subdivision (b) of Section 10820~~ the adoption of the plan. Copies of amendments or changes to the plans shall be submitted to the entities identified in subdivision (b) within 30 days after the adoption of the amendments or changes.

(b) An agricultural water supplier shall submit a copy of its plan ~~and amendments or changes to the plan~~ to each of the following entities:

(1) The department.

(2) Any city, county, or city and county within which the agricultural water supplier provides water supplies.

(3) Any groundwater management entity within which jurisdiction the agricultural water supplier extracts or provides water supplies.

~~(4) Any urban water supplier within which jurisdiction the agricultural water supplier provides water supplies.~~

~~(5) Any city or county library within which jurisdiction the agricultural water supplier provides water supplies.~~

~~(6)~~ The California State Library.

~~SEC. 36.~~ SEC 37. Section 10845 of the Water Code is amended to read:

10845. (a) The department shall prepare and submit to the Legislature, on or before ~~December 31, 2013,~~ April 30, 2022, and thereafter in the years ending in seven and years ending in ~~one, two,~~ a report summarizing the status of the plans adopted pursuant to this part.

(b) The report prepared by the department shall identify the outstanding elements of any plan adopted pursuant to this part. The report shall include an evaluation of the effectiveness of this part in promoting efficient agricultural water management practices and recommendations relating to proposed changes to this part, as appropriate.

(c) The department shall provide a copy of the report to each agricultural water supplier that has submitted its plan to the department. The department shall also prepare reports and provide data for any legislative hearing designed to consider the effectiveness of plans submitted pursuant to this part.

(d) This section does not authorize the department, in preparing the report, to approve, disapprove, or critique individual plans submitted pursuant to this part.

~~SEC. 37.~~ SEC 38. Section 10853 of the Water Code is repealed.

~~10853. An agricultural water supplier that provides water to less than 25,000 irrigated acres, excluding recycled water, shall not be required to implement the requirements of this part or Part 2.55 (commencing with Section 10608) unless sufficient funding has specifically been provided to that water supplier for these purposes.~~